VZCZCXRO2877 OO RUEHCHI RUEHDT RUEHHM DE RUEHJA #2021/01 2070900 ZNY CCCCC ZZH O 260900Z JUL 07 FM AMEMBASSY JAKARTA TO RUEHC/SECSTATE WASHDC IMMEDIATE 5558 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY RUEHBJ/AMEMBASSY BEIJING PRIORITY 4159 RUEHBY/AMEMBASSY CANBERRA PRIORITY 0936 RUEHPB/AMEMBASSY PORT MORESBY PRIORITY 3372 RUEHKO/AMEMBASSY TOKYO PRIORITY 0604 RUEHWL/AMEMBASSY WELLINGTON PRIORITY 1613 RUEHHM/AMCONSUL HO CHI MINH CITY PRIORITY 0190 RHEHNSC/NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHHJJPI/USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 002021

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DEPT FOR EAP, EAP/MTS, EAP/MLS, INR/EAP

E.O. 12958: DECL: 07/26/2017 TAGS: <u>PGOV KDEM KISL PINR ID</u>

SUBJECT: IN MESSAGE TO SBY, TWO KEY PARTIES CONTINUE TO

FLIRT

REF: A. JAKARTA 1157

¶B. JAKARTA 855

¶C. 06 JAKARTA 13419

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Classified By: Joseph Legend Novak, Counselor for Political Affairs, re asons: 1.4 (b) and (d).

SUMMARY

11. (C) On July 25, senior figures from Indonesia's two largest political parties, Golkar and PDI-P, held their second public meeting in little more than a month. The gatherings generated intense speculation about the possibility of a joint Golkar/PDI- ticket in the 2009 presidential election. With a combined total of nearly 45% of the seats in parliament, Golkar and PDI-P dwarf their rivals and would dramatically alter the political landscape with a formal alliance. Serious obstacles stand in the way of such a partnership, however. Contacts have characterized the meetings as a muscle flexing exercise meant, in part, to try to underscore to President Yudhoyono their strength and his weakness. END SUMMARY.

A FESTIVE PALEMBANG

12. (SBU) Poloff traveled to Palembang, South Sumatra, to observe the July 25 Golkar/PDI-P rally, which came on the heels of a similar meeting held in Medan, North Sumatra, on June 20. As with the first meeting in Medan, the Palembang gathering brought together a balanced collection of heavyweights from both parties. PDI-P, which hosted the rally (Golkar organized the event in Medan), was represented by former first gentleman and PDI-P Honorary Council Chair Taufik Kiemas, as well as Secretary General Pramono Anung. Advisory Board Chairman Surya Paloh and Secretary General Soemarsono represented Golkar at the event. (Note: PDI-P Chairwoman and former President Megawati Soekarnoputri did not attend, nor did Golkar Chairman and current Vice President Jusuf Kalla. End Note).

- 13. (C) Approximately 10,000 PDI-P and Golkar loyalists from throughout South Sumatra province crammed into the Palembang Sports Hall, a full two hours before the official program began. With stadium seating segregated by party affiliation, the western half of the arena was filled with energetic red clad PDI-P supporters, while the somewhat more staid Golkar partisans painted the eastern half of the stadium in a sea of yellow. Devotees from both parties chanted slogans, danced to loud rock music, and created a raucous atmosphere that one would more typically find at a sporting event. Scantily clad dancers contributed to the festive mood, while serving as a none too subtle reminder that Golkar and PDI-P both shared a common goal of keeping Indonesian politics secular.
- 14. (C) By the time the PDI-P and Golkar luminaries made their carefully choreographed entrance into the Sports Hall, the crowd had already been thoroughly entertained and the speeches constituted little more than an afterthought. Both Surya Paloh and Taufik Kiemas spoke of their overriding desire to overcome partisan politics and advance Indonesia's interests as nation, while emphasizing their shared nationalist ideology. The two leaders did not address the possibility of a formal alliance at any point.

A LONG DANCE

¶5. (C) As reported in Refs A and C, Golkar and PDI-P have already collaborated on gubernatorial campaigns in Banten and Jakarta, and now having announced their new partnerships in Northern and Southern Sumatra, were also reportedly considering working together in Eastern and Western Java. Though the two parties have battled each other for political primacy in the post-Suharto era, collaboration between the two is not without precedent. In 2004, after Golkar Presidential candidate Wiranto was eliminated from the race in the primary, Golkar threw its weight behind PDI-P during

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former President Megawati's unsuccessful re-election bid. Then, in the opening months of President Yudhoyono's administration, Golkar and PDI-P coalesced into an opposition juggernaut in the DPR, before Vice President Kalla won control of Golkar and co-opted the party into an administration ally.

 $\P6$. (C) According to our contacts, what made the gatherings in Medan and Palembang unique was the fact that Golkar and PDI-P cadre had never before participated in a joint rally. The symbolism of the joint meetings was powerful, and served as a pointed reminder for the President that his Democratic party, with just 10 percent of the seats in the DPR, was a relative political minnow (Ref B).

GOLKAR DIVIDE

17. (C) Poempida Hidayatulloh, Golkar's Deputy Treasurer, told us that the meetings with PDI-P were intended to put the President on notice that Golkar's loyalty should not be taken for granted. Golkar was under-represented in the cabinet, he asserted, and many party functionaries openly questioned the utility of a relationship with a President who had not yet rewarded the party for its loyalty. Poloff bumped into Poempida during the Palembang rally, and he cheerfully looked around at the energetic crowd and declared: "this will get the President's attention." When we asked him about an alleged division in Golkar over the PDI-P collaboration issue, Poempida acknowledged that Advisory Board Chairman Surya Paloh had angered some by initiating conversations with PDI-P on his own, adding that Golkar Party Chairman Jusuf Kalla had subsequently given Surya Paloh the green light to continue talks. According to Poempida, Kalla approved the joint rally idea provided Surya Paloh agreed to refrain from signing off on any formal alliance. Dadan Irawan, a member of the Golkar party central board, corroborated Poempida's

analysis.

18. (C) According to Arief Budiman, an aide to DPR Chairman and Deputy Golkar Chairman Agung Laksono, Laksono was blindsided by Surya Paloh's Medan maneuver and viewed him as a renegade operating without the support of Golkar's Central Board. Laksono believed that Surya Paloh put the Vice President in a no-win situation by organizing the first meeting; it clearly complicated Kalla's relationship with the President, and yet as Golkar Party Chairman, Kalla could not publicly disavow it without calling attention to the fissures within the party. When Laksono met with the DCM shortly after the Medan meeting, he signaled his disdain for the initiative by asking the DCM rhetorically how Golkar could simultaneously remain a member of the government while forging an alliance with the opposition.

PDI-P SMELLS A ROSE

19. (C) PDI-P Secretary General Pramono Anung told us that PDI-P decided to hold public meetings with Golkar in order to highlight the party's willingness to put the country's interests above party politics. According to Pramono, Golkar and PDI-P shared enough common ideological ground that an alliance in some form made good strategic sense both for the party and the nation. PDI-P hoped that these preliminary meetings and local partnerships with Golkar would set the stage for a national alliance in 2009. PDI-P and Golkar should work together and try not to split the secular vote. Asked what a joint PDI-P/Golkar ticket would look like in 2009, Pramono demurred, noting that it was too early to discuss specifics. When we observed that it was hard to imagine either Vice President Kalla or President Megawati -the two presumed standard bearers from Golkar and PDI-P, respectively -- agreeing to run as a VP candidate on a joint ticket, Pramono agreed, and acknowledged that the exact modalities of a joint campaign would have to be negotiated over time.

OBSTACLES TO FURTHER COOPERATION

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10. (C) With two years remaining before the 2009 presidential elections, Golkar and PDI-P have very little to lose in continuing their public courtship. From Golkar's perspective, the flirtation highlights President Yudhoyono's political vulnerability and could compel the President to take the party's needs as a senior partner in the coalition more seriously. For PDI-P, as the de facto opposition party, any pressure on SBY is by definition good pressure. Serious obstacles stand in the way of a formal partnership, however. Although both parties share a secularist platform, neither party is likely to warm to the idea of playing second fiddle to the other in a national campaign any time soon.